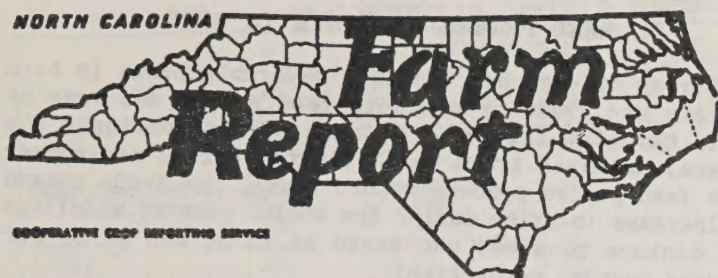


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NORTH CAROLINA



COOPERATIVE CROP REPORTING SERVICE

QUESTIONS PERTINENT TO THIS ISSUE

1. IS THE OCTOBER GENERAL LEVEL OF PRICES UP OR DOWN?
2. WHAT PRODUCTS SHOWED SHARP PRICE CHANGES?
3. COMPARE THE OCTOBER AVERAGE PRICE OF CORN WITH SEPTEMBER.
4. WHAT WERE U. S. STOCKS OF GRAINS ON OCTOBER 1?
5. WHAT IS THE FINANCIAL CONDITION OF AMERICAN FARMERS?
6. WHAT IS THE N. C. OCTOBER PRICES RECEIVED INDEX?
7. IS A STRONG DEMAND EXPECTED FOR FARM PRODUCTS IN 1949?
8. COMPARE FARM LABOR WAGES WITH A YEAR AGO.
9. COMPARE RAINFALL IN DIFFERENT PARTS OF THE STATE DURING OCTOBER.
10. WHERE DID SNOW FALL IN THE STATE DURING OCTOBER?

No. 24

RALEIGH, N. C.

NOVEMBER 5, 1948

AGRICULTURAL PRICES AND OTHER CURRENT ITEMS

FARM FINANCIAL PICTURE GOOD

American farmers as a group are in excellent financial condition. With assets of agriculture more than doubled and liabilities somewhat lower, January 1, 1948 proprietors' equities were more than two and one-half times larger than at the beginning of 1940. An 11 percent increase in assets and net worth occurred in 1947, with liabilities up 9 percent.

This and other features of the Balance Sheet show a group picture. It is well to remember that this group includes a wide variation by areas and size and type of farm.

Total assets have increased from 54 billion dollars in 1940 to a record high of 122 billion in 1948. Liabilities have declined from 10 to 9 billion and proprietors' equities have climbed to 113 billion from the 1940 total of about 44 billion dollars.

Nearly three-fourths of the increase in assets was in the value of physical assets, with 96 percent of the gain in physical assets accounted for by inflation of inventory valuation and only 4 percent to physical increases in inventories. In other words, higher prices account for most of the higher valuation.

Farmers have more than five times the amount of financial assets held before the war. Bank deposits, currency, U. S. savings bonds, and investments in cooperatives totaled more than 22 billion dollars on January 1, 1948. Excluding holdings by financial institutions, nonprofit associations, and government bodies and agencies farmers held about 9 percent of the currency and bank deposits in the country at the beginning of 1948, which compares with 6 percent in 1940. The financial assets held by farmers amount to nearly three-fourths as much as the record high cash income of nearly 30 billion dollars received in 1947.

Farmers have not encumbered their higher valued assets with debt to any marked extent and the ratios of debt to assets, income, etc. are the most favorable of record.

PRICES SHOW GENERAL DECLINE

The level of prices received by North Carolina farmers for their products during mid-October was generally somewhat lower than a month earlier. Price breaks reflected sharply in many products, particularly corn, cottonseed, soybeans and meat animals.

Corn has consistently dropped sharply during each month since July and has reached the lowest point since January 1947. Likewise, soybeans have shown sharp decreases since July and are now at the lowest price since November 1944. Prices of other grains reflected little change during the month.

After having reached a record peak in August, the general price level of meat animals has declined moderately since. The average price received for hogs dropped over two dollars per hundred pounds during the month ending October 15, while prices of other meat animals declined, however, less sharply.

For three consecutive months cottonseed prices have dropped sharply. The mid-October average price was the lowest since September 1946.

For a more detailed study of prices, please refer to pages 2 and 3.

U. S. STOCKS OF GRAINS

Only 126 million bushels of old corn remained in all positions on October 1, 1948. This is the smallest carryover of corn in the 6 years of comparable record, although it is probable that total October 1 stocks in 1935 and 1937 were much smaller. Nearly 115 million bushels of this total were on farms and nearly 10 million bushels were in interior mills, elevators and warehouses.

Stocks of oats in all positions on October 1 totaled 1,252 million bushels, of which less than 64 million bushels were in off-farm storages. The current total has been exceeded only on October 1, 1945. Barley stocks of nearly 297 million bushels are the largest since October 1, 1943, and about one-fifth larger than in the past three years.

Relatively large stocks of 1,142 million bushels of wheat were in storage in all positions October 1, 1948, the Bureau of Agricultural Economics reports. This total is the third largest of record, nearly equaling that of October 1, 1941, but falling far short of the 1,372 million bushels in storage October 1, 1942. It is only one percent larger than a year ago. From the supply of 1,479 million bushels of July 1, (See Grains, Page 4)

COTTON IS MAKING A RECORD YIELD THIS YEAR



INDEX UP SLIGHTLY

Although the general level of prices received for products sold by North Carolina during mid-October was somewhat below that of a month earlier, the "All Farm Products" index reflected a slight increase and reached the highest peak since October 1946. For the third consecutive month this index has shown an increase over the previous month. Heavy tobacco sales during August, September and October at comparatively high prices have greatly influenced the "All Farm Products" index and account largely for the month-to-month rise in the index during recent months. As tobacco sales drop off, the index is expected to drop somewhat sharply. The October index for all farm products at 292 percent was 3 points above September and 10 points above October of last year.

Among indexes of individual groups of farm products, all indexes other than tobacco, poultry, and dairy products reflected rather sharp declines during the month. The tobacco and poultry indexes showed increases while the dairy products index dropped 1 point. Higher prices received for eggs accounted primarily for the 6-point rise in the poultry index, which now stands at 296 percent. October indexes of dairy products and tobacco are 247 and 397 percent, respectively.

After reaching an all-time high of 414 percent in August, the meat animal index now stands at 395 percent, having dropped 4 points in September and 19 points in October. Prices received for practically all types of meat animals dropped during the month, thus, reflecting a sharp drop in the index. Average prices received for hogs dropped \$2.10 per hundred weight during the month while prices of other meat animals dropped less sharply.

The cotton and cottonseed index dropped from 254 percent in September to 245 percent in October. Lower prices received for cottonseed were chiefly responsible for the 9-point decrease.

Heavy declines in the average price received for corn brought the grains index down 10 points to 189 percent. The grain index has dropped consistently since May of this year and is now at the lowest point since June 1946.

With a loss of 6 points, the miscellaneous products index declined to 222 percent in October, the lowest level since December 1946.

The October ratio of prices received by Tar Heel farmers to prices paid by United States farmers is 117 percent, a 1 percent increase over the previous month.

This ratio also is greatly influenced by tobacco prices and reflects a condition slightly more favorable than exists with many farmers in the state.

NORTH CAROLINA AND UNITED STATES INDEX NUMBERS
(N. C. PRICES RECEIVED 1909-14 = 100 PERCENT)

COMMODITY	SEPT. 15 1948	OCT. 15 1948	OCT. 15 1947	OCT. 15 1946	OCT. 15 1945
N. C. INDEX NUMBERS					
ALL FARM PRODUCTS....	289	292	282	313	237
COTTON & COTTONSEED..	254	245	250	291	176
GRAINS.....	199	189	245	212	156
MEAT ANIMALS.....	414	395	358	315	220
POULTRY.....	290	296	309	297	262
DAIRY PRODUCTS.....	248	247	231	224	177
TOBACCO.....	365	397	336	416	350
MISCELLANEOUS.....	228	222	227	211	209
RATIO OF PRICES RECEIVED TO PAID*..	116	117	118	151	135
U. S. INDEX NUMBERS					
PRICES RECEIVED.....	290	277	289	273	199
PRICES PAID, INTEREST AND TAXES.	250	249	239	207	175
RATIO OF PRICES RECEIVED TO PAID...	116	111	121	132	114

* Ratio of N. C. prices received to U. S. paid.

FEED PRICES CONTINUE TO DROP

During mid-October, another favorable break in high protein and grain by-products feed prices was seen by North Carolina farmers. October prices continued the general downward trend which started during mid-summer when feed prices reached record peaks. No feeds showed an increase in price during the month; however, middlings and tankage remained unchanged at \$3.90 and \$6.80 per hundred pounds, respectively.

Corn meal and cottonseed meal showed the sharpest price drops during the month ending October 15, reflecting lower prices received recently for corn and cottonseed.

Mixed dairy feeds were generally off about 15 cents per hundred. Scratch feed was down 15 cents while laying mash was off 10 cents.

FEED PRICES PAID BY FARMERS OCT. 15, 1948 WITH COMPARISONS

FEED PER HUNDRED WEIGHT	NORTH CAROLINA		UNITED STATES	
	SEPT 15 1948	OCT 15 1948	SEPT 15 1948	OCT 15 1948
- DOLLARS -				
BRAN.....	3.60	3.55	2.95	2.88
MIDDINGS.....	3.90	3.90	3.28	3.29
CORN MEAL.....	5.50	5.30	4.53	4.10
COTTONSEED MEAL.....	3.65	3.40	4.18	3.95
SOYBEAN MEAL.....	4.95	--	5.14	4.26
MIXED DAIRY FEED:				
16% PROTEIN.....	3.90	3.80	3.86	3.72
18% PROTEIN.....	4.30	4.15	4.04	3.88
20% PROTEIN.....	4.35	4.20	4.11	3.92
LAYING MASH.....	5.20	5.10	4.78	4.59
SCRATCH FEED.....	5.00	4.85	4.57	4.32
TANKAGE.....	6.80	6.80	6.07	6.12

FARM PRODUCT PRICES OFF

Prices received for products sold by North Carolina farmers during the middle of October were generally lower than a month earlier. Products showing the sharpest price decreases during the month were some grains, meat animals, and cottonseed.

Corn dropped 20 cents to an average price of \$1.58 per bushel, the lowest price since February of last year. Most small grains held fairly steady. Soybeans reflected an unusually sharp drop of 40 cents per bushel. At \$2.00 per bushel, average prices received for soybeans were at the lowest level since November 1944.

At \$56.00 per ton, farmers were receiving lower prices for cottonseed than a month earlier. Lint showed little change during the month. Among meat animals hogs made the sharpest declines during the month, dropping \$2.10 per hundred weight to an average price of \$24.30. Veal calves at \$24.10 and beef cattle at \$19.00, dropped 90 cents and 50 cents, respectively. Lambs at \$23.20 showed a decrease of 60 cents while sheep at \$9.80 lost 20 cents.

Mid-October egg prices rose to 51 cents per dozen, 2 cents higher than mid-September. Most dairy products showed little or no change during the month. Potatoes remained unchanged at \$1.70 per bushel, while sweet-potatoes at \$2.20 declined 20 cents.

Prices received for Type 12 tobacco averaged \$52.10 on October 15 and were considerably higher than on the same date in September. Type 11 reflected little change. A table on page 3 shows gross sales and gross averages of flue-cured tobacco sold on North Carolina markets this season through November 2. The average prices shown for last year are for producers' sales.

PRICES RECEIVED BY FARMERS OCTOBER 15, 1948 WITH COMPARISONS

COMMODITY	UNIT	NORTH CAROLINA		U. S.
		SEPT 15	OCT 15	OCT 15
		1948	1948	1948
- DOLLARS -				
TOBACCO, TYPE 11.	LB.	.493	.500	--
TYPE 12.	LB.	.452	.521	--
TYPE 13.	LB.	.450	--	--
CORN.....	BU.	1.78	1.58	1.38
WHEAT.....	BU.	2.17	2.16	1.98
OATS.....	BU.	1.02	1.00	.699
BARLEY.....	BU.	1.80	1.78	1.10
RYE.....	BU.	2.41	2.29	1.43
SOYBEANS.....	BU.	2.40	2.00	2.27
COWPEAS.....	BU.	4.70	4.75	4.07
PEANUTS.....	LB.	.104	.104	.104
COTTON.....	LB.	.317	.311	.311
COTTONSEED.....	TON	66.00	56.00	63.70
WOOL.....	LB.	.48	.48	.461
HOGS.....	CWT.	26.20	24.30	24.60
BEEF CATTLE.....	CWT.	19.50	19.00	22.10
VEAL CALVES.....	CWT.	25.00	24.10	25.00
SHEEP.....	CWT.	10.00	9.80	9.08
LAMBS.....	CWT.	23.80	23.20	22.10
CHICKEN.....	LB.	.30	.295	.299
EGGS.....	DOZ.	.59	.61	.547
MILK: WHOLESALE..	CWT.	5.65	5.70	4.93
RETAIL.....	QT.	.213	.213	.193
BUTTER.....	LB.	.60	.60	.643
BUTTERFAT.....	LB.	.63	.60	.678
HAY: ALL LOOSE...	TON	33.10	31.00	18.40
ALL BALED...	TON	35.70	33.50	23.00
POTATOES.....	BU.	1.70	1.70	1.42
SWEETPOTATOES...	BU.	2.40	2.20	2.07
APPLES, COMMERCIAL	BU.	1.90	2.00	2.20
PEACHES.....	BU.	2.90	2.90	--
PEARS.....	BU.	2.00	1.70	--
LESPEDEZA SEED...	CWT.	14.80	13.90	11.60
KOREAN.....	CWT.	12.20	12.20	--
KOBE.....	CWT.	17.00	15.00	--
COM. & TENN. 76	CWT.	21.00	21.00	--
SERICEA.....	CWT.	22.00	22.00	--

U. S. PRICES RECEIVED DROP

Sharp reductions in prices of corn, meat animals, and butterfat which were only partially offset by increases in small grains, tobacco, and truck crops brought the sharpest drop in average prices to farmers since early this year. As of October 15, the BAE Index of Prices Received by Farmers stood at 277 percent of the August 1909-July 1914 base, 4 percent below last month and approximately the same as in midsummer 1947.

At the same time, the Parity Index (Index of Prices Paid, Interest, and Taxes) receded to 249, only slightly below a month ago--and only 2 points, or 1 percent, below the all-time high of 251 last set in August this year.

COMPARISON OF U.S. PRICES RECEIVED BY FARMERS AND PARITY PRICES*

COMMODITY	PRICES RECEIVED BY FARMERS		PARITY OR COMPARABLE PRICES		ACTUAL PRICES AS PERCENTAGE OF PARITY	
	SEPT 15 1948	OCT 15 1948	SEPT 15 1948	OCT 15 1948	SEPT 15 1948	OCT 15 1948
- DOLLARS -						
COTTON, LB.	.309	.311	.310	.309	100	101
WHEAT, BU.	1.97	1.98	2.21	2.20	89	90
CORN, BU.	1.78	1.38	1.60	1.60	111	86
OATS, BU.	.687	.699	.998	.994	69	70
BARLEY, BU.	1.08	1.10	1.55	1.54	70	71
RYE, BU.	1.39	1.43	1.80	1.79	77	80
BEEF CATTLE						
CWT.	24.20	22.10	13.60	13.50	178	164
HOGS, CWT.	27.30	24.60	18.20	18.10	150	136
LAMBS, CWT.	23.40	22.10	14.70	14.60	159	151
CHICKEN, LB.	.319	.299	.285	.284	112	105
EGGS, DOZ.	.514	.547	.576	.621	89	88
MILK, WHSLE.						
CWT.	4.98	4.93	4.12	4.25	121	116

*Parity means a price for the farmer's product which will give it exchange value for things the farmer needs to buy equal to that in a specified base period, usually (1909-14)

COMMERCIAL BROILER PLACEMENTS UP

During the month of October, hatcheries and dealers supplying the Wilkes and Chatham Areas placed 852,000 baby chicks with broiler producers in the two areas. This is an 18 percent increase over placements in the two areas during the preceding month. Of this number, 342,000 were placed in the Wilkes Area, 56,000 more than were placed the month before. Placements in the Chatham Area totaled 510,000 during the past month compared with 433,000 placed during the month of September. During the same period last year, there were 440,000 baby chicks placed in the Chatham Area. Figures for the Wilkes Area are not available for a year earlier.

Eggs set showed an even greater gain during the past month. Combined settings for the two areas totaled 1,359,000 compared with 985,000 eggs set during September, a gain of approximately 38 percent. Hatcheries in the Chatham Area reported 794,000 eggs set while those in the Wilkes Area set 565,000 during the month of October. There were 668,000 chicks hatched in both areas compared with 703,000 hatched during the month before. Of the total number of chicks hatched, 341,000 were hatched in the Chatham Area and 327,000 in the Wilkes Area. During the month of October 1947, there were 686,000 eggs set and 368,000 chicks hatched in the Chatham Area.

HATCHERY OUTPUT CONTINUES DOWN

North Carolina hatcheries produced 1,170,000 chicks during September, 1948. This was 24 percent below the 1,530,000 chicks hatched in August and 18 percent less than the output of chicks from hatcheries during September a year ago. The continued decline in chick production is due principally to the seasonal drop in the supply of eggs for hatchery purposes. Chicks hatched by commercial hatcheries in North Carolina during the first 9 months of this year totaled 32.5 million, compared with 31.9 million for the same period in 1947. The demand for chicks for commercial broiler production continues strong.

THE POULTRY AND EGG SITUATION

Production of eggs on farms in the United States during the first 9 months of 1948 was about 1 percent below the same period of 1947. Total output has been maintained by an increasing rate of lay, despite the fact that the number of layers has been smaller. Both farm and retail prices of eggs have averaged slightly higher than last year, but farm prices have averaged lower in relation to parity prices than in 1947. However, support purchases have been substantially smaller than last year.

Farm and retail prices of chickens and farm prices for turkeys have been at record levels all through 1948.

SALE OF FLUE-CURED TOBACCO ON NORTH CAROLINA MARKETS AND AVERAGE PRICES

TYPE	GROSS SALES* THROUGH NOV. 2	GROSS AVERAGE* THIS SEASON	PRODUCERS AVERAGE LAST YEAR
	- POUNDS -	- DOLLARS -	- DOLLARS -
11 A....	96,042,992	50.71	37.42
11 B....	137,265,045	51.18	42.65
12.....	380,042,614	49.69	43.48
13.....	133,005,144	51.23	43.07

Source: Tobacco Branch, Production and Marketing Administration.

*Producers sales and averages not yet computed for the 1948 season.

FARM REPORT

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NOVEMBER 1948

FARM REPORT

PAGE 4

FARM LABOR

Total farm employment in the South Atlantic States, which includes North Carolina, decreased one percent between October 1947 and October 1948. During the past year the number of family workers decreased 4.5 percent and the number of hired workers increased 11.6 percent. The increase in the number of hired workers was not enough to offset the decrease in family workers.

NORTH CAROLINA FARM WAGE RATES
OCTOBER 1, 1947 AND OCTOBER 1, 1948

CATEGORY OF LABOR	1947	1948
PER MONTH WITH BOARD	\$55.75	\$62.00
PER MONTH WITHOUT BOARD	77.75	86.00
PER DAY WITH BOARD	3.60	3.80
PER DAY WITHOUT BOARD	4.20	4.35

ECONOMIC FACTS FOR 1949

Strong demand for farm products is expected in 1949. Prices to be received by farmers and cash receipts from farm marketings in 1949 may be down somewhat from 1948, if economic trends and government programs develop as currently indicated.

Present indications are, generally, for a fairly stable level of economic activity in 1949. Increased expenditures for defense and foreign aid will give support to a continued high level of demand.

Prices of farm products in 1949 are likely to average only slightly lower than in 1948, but farmers' net income probably will be off for the second straight year.

GRAINS (Continued)

(carryover of 195,726,000 plus new production of 1,283,770,000 bushels) disappearance to October 1 is computed at 337 million bushels. This compares with 321 million bushels in the same quarter of 1947, nearly 304 million in 1946, and over 367 million bushels for the same period in 1945.

Rye stocks of nearly 24 million bushels in all positions on October 1, 1948, are larger than on October 1 of the past 3 years, but are much smaller than in 1943 and 1944, the only other years of comparable record. Over 14 million bushels of the total were still on farms. Both farm and off-farm stocks are the largest in 4 years.

WEATHER SUMMARY FOR THE MONTH OF OCTOBER, 1948

Early in the month a small storm formed off the Carolina coast bringing warm moist air inland and causing moderate to heavy rains over the eastern and central sections of the state and light rain over the western section. While light scattered showers occurred at intervals

throughout the month, this was the only rain of consequence and by the first of November the counties in the western section of the state were reporting the ground too dry for satisfactory farm work.

Temperatures for the month were well below normal in all sections.

On the 17th a mass of very cold air invaded the state, giving the first snowfall of the season to some counties in the mountains. By the 19th freezing temperatures had advanced almost to the coast with some of the plateau counties reporting minimum readings down in the low 20s.

During the latter part of October, soil moisture conditions were generally favorable throughout the state except in the south-western mountain region. In this area a dry condition prevailed. Land preparation was fairly well advanced other than in the dry localities of the mountains. Some coastal plain areas were making rapid progress at the time.

NORTH CAROLINA
INCHES OF RAINFALL
DURING OCTOBER, 1948

